# Annex 1 Overview of implementation at the action level

# Window 2 Good Governance, EU Acquis Alignment, Good Neighbourly Relations and Strategic Communication

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| **Annual Action Programme for the Republic of North Macedonia for the year 2017** | |
| **Action Document “EU Support to Public Administration Reform & Statistics”** | |
| **State of play/ Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)** | |  |  |  | | --- | --- | --- | | **Outputs** | **Contract title** | **Status** | | **Output 1:** Extent to which the overall structure of ministries and other bodies subordinated to central government is rational and coherent. (SIGMA score) | Support to state reorganization | Contract implemented.  Contract start date: 6 November 2019, completion date: 05 December 2023 | | **Output 2:** No of institutions having and applying an integrity policy | Promoting transparency and accountability in the public administration | Contract implemented. | | **Output 3:** Percentage of institutions applying pro-active transparency standards | Contract implemented. | | **Output 4:** No of whistleblowing cases launched and protection measures taken | Contract implemented. | | **Output 5:** Requests for information refused/unanswered in breach of law (as a % of the total number of requests) | Contract implemented. | | **Output 6:** Number of services accessible and available by Single point of contact (OSS or e-services portal) | Enhancing e-Government” (Services and supply) | Under implementation. Development of electronic services ongoing.  Service: Contract start date: 20th August 2020, completion date:19th February 2024  Supply: Contract start date: 19 November 2021, completion date: 15th December 2023 | | **Output 7:** Percentage of users vs target users’ ratio of e-services | Under implementation. Development of electronic services ongoing. | | **Output 8:** Pilot statistics on the performance by body and public officers involved in service delivery (coverage by institution and by No of servants) | Under implementation. Development of electronic services ongoing. | | **Output 9:** Coverage of OSS umbrella system (% of relevant institutions covered) | Outputs 6,7,8,9 were supposed to be implemented with 4 separate contracts. However, as the National Portal was developed and put into operation, in order to optimize the expenses and resources, the Minister of information society and administration and Deputy prime minister in charge of economic affairs agreed to use the same for both, provision electronic services for citizens and businesses. The Contract is still under implementation and the development of e-services is ongoing. | | **Output 10:** Percentage of indicators produced for GDP on quarterly level by expenditure approach at current and constant prices | Improving the production and  dissemination of the statistics (Services and supply) | Contract implemented.  Contract start date: 29 March.2019 | | **Output 11:** Percentage of indicators compiled for EDP notification tables in accordance with ESA 2010 | Contract implemented. | | **Output 12:** Number of improved/aligned statistical methodologies and surveys | Contract implemented. | | **Output 13:** Percentage of SBPM sub-processes covered by standard metadata driven tools | Contract implemented. | |
| **Main achievements and their assessment** | |  |  |  | | --- | --- | --- | | **Outputs** | **Contract title** | **Main achievements and assessment** | | **Output 1:** Extent to which the overall structure of ministries and other bodies subordinated to central government is rational and coherent. (SIGMA score) | Support to state reorganization | The Government adopted the Synthesis report and thew reorganization of three ministerial systems have started. The Government adopted action plan for reorganization of the Ministry of Economy and the Ministry of Agriculture, Forestry and Water economy, while the information for reorganization of MISA was not adopted. However, the Government adopted the Law for Network and information system security and the Law on Professional development of administrative servants that are supposed to establish two separate agencies for implementation of policies developed by the Ministry of Information Society and Administration – Agency for Professional Development of administrative servants and Agency for Digital Transformation. However, as the new LOSAB is still not adopted, the challenges considering the typology, accountability lines and criteria for establishing new bodies remain.  Extent to which the overall structure of minsitries and other bodies subordinated to central government is rational and coherent:  Baseline (2015): 2  Current value: 2 (SIGMA Report 2021)  The following outputs were produced:   * Comprehensive Country and Synthesis Reports: Production of detailed country reports for Czech Republic, Finland, and Latvia, along with a synthesis report that integrates findings and best practices from these countries. This indicates a thorough analysis and understanding of various models of public administration organization within the EU. * Practical Insights from Study Visits: Execution of a study visit to Latvia and Estonia, providing direct insights and practical knowledge from the experiences of these countries in public administration. * Development of Analytical Frameworks: Creation of a methodology for horizontal functional analysis of state administrative bodies, including data collection templates. This suggests a structured approach to evaluate and understand the functions and efficiencies of administrative bodies. * Reform Proposals and Guidelines: Preparation of numerous reports, including proposals for institutional frameworks and guidelines for change management, indicating a strategic approach towards reorganizing and improving the public administration sector. * Impact Assessment and Monitoring: Establishment of methodologies for impact assessment and monitoring guidelines, which are crucial for evaluating the effects of reforms and ensuring their successful implementation. * Legal Framework Enhancement: Drafting of multiple versions of laws concerning the organization of state administrative bodies and digitalization, reflecting efforts to adapt the legal framework to support administrative reorganization and modernization. * Training and Capacity Building: Implementation of training programs, including 'Train of Trainers' and cascade trainings, aimed at building the capacity of individuals involved in the reorganization process, ensuring that the reforms can be carried out effectively by well-prepared personnel. * Public Awareness and Engagement: Conducting visibility and awareness events, such as conferences, to engage stakeholders and the public in the reform process, ensuring transparency and collective participation. * Sector-Specific Reforms: Addressing specific sectors such as agriculture, economy, and information society with targeted reorganization plans, indicating a holistic approach to reform that considers the unique needs and functions of different sectors. * Discretionary Powers Regulation: Focusing on the legal framework regarding discretionary powers, especially in licensing and employment across various sectors like health care, ecology, culture, and education, aiming to enhance control systems and ensure that these powers are subject to appropriate internal and external controls. | | **Output 2:** No of institutions having and applying an integrity policy | Promoting transparency and accountability in the public administration | Output 2: No of institutions having and applying an integrity policy   |  |  | | --- | --- | | Baseline 2016: 1 | Current value: 85 (2022)  Current value: 154 (2023) |   Output 3: Percentage of institutions applying pro-active transparency standards   |  |  | | --- | --- | | Baseline 2015: 0 | Current value: 70.31% |   Output 4: No of whistleblowing cases launched and protection measures taken   |  |  | | --- | --- | | Baseline 2015: 0 | Current value:10  Current value : 17 (2023) |   Output 5: Requests for information refused/unanswered in breach of law (as a % of the total number of requests)   |  |  | | --- | --- | | Baseline 2015: Figure TB Provided/650 (44% in 2017) | Current value: 4.91% |   The Contract had 2 components, one providing direct support to the State Commission For prevention of corruption and the second to the Agency for Protection of the Right to Free Access to Public Information (APRFAPI). The project produced very important outputs, leading to measurable progress in the area.  Component 1: Support to the State Commission for Prevention of Corruption   * Development and Implementation of IT Solutions: The project successfully supported the development and launch of IT, web, and mobile applications aimed at enhancing citizens' awareness about anti-corruption measures. * Enhancement of e-Learning Platforms: Upgrades to existing e-learning platforms included new modules and interactive tools, broadening access to education on ethics and anti-corruption for various stakeholders. * National Strategy Support: Assistance in the adoption and implementation of the National Strategy for the prevention and repression of corruption and conflict of interests, including comprehensive research and development of a web application for strategy dissemination. * Capacity Building and Training: Significant efforts were made in building the capacity of the State Commission for Prevention of Corruption through specialized training, study visits, and the development of methodologies and guidelines for integrity and corruption risk assessment. * Public Awareness Campaigns: Execution of campaigns aimed at promoting integrity and protection for whistleblowers, supported by quantitative research to gauge public perception on these critical issues.   Component 2: Support to the Agency for Protection of the Right to Free Access to Public Information   * Regulatory Support and Methodology Development: Preparation of manuals, guidelines, and methodologies aimed at enhancing transparency and the proactive publication of information, ensuring compliance with the new law on free access to public information. * Capacity Building for Information Holders: Execution of regional trainings and online courses to strengthen the capabilities of information holders, ensuring they are well-equipped to mediate public information effectively. * Public Awareness and Engagement: Implementation of campaigns and surveys to raise public awareness about the right to free access to public information, including the development of educational materials and social media activities. * ICT Enhancements: Launch of a new website, development of electronic portals for requesters and information holders, and provision of e-training activities, all aimed at facilitating access to public information. * Continuous Improvement: Ongoing efforts to address technical issues and complete the development of e-training resources, demonstrating a commitment to refining and enhancing the project's outputs even beyond its conclusion. | | **Output 3:** Percentage of institutions applying pro-active transparency standards | | **Output 4:** No of whistleblowing cases launched and protection measures taken | | Output 5: Requests for information refused/unanswered in breach of law (as a % of the total number of requests) | | Output 6: Number of services accessible and available by Single point of contact (OSS or e-services portal) | Enhancing e-Government | The component of the contract for development of electronic services continues and is in the finalization phase. The Register of authorization was developed, as well as registars of Registers, but still not installed and not in production.  Percentage of users vs targeted users ratio of e-services cannot be measured at the moment, as well as pilot statistics on the performance of officers.  The portal was upgraded to provide electronic services to businesses (Output 9: “Umbrella system”). By the finalization of the activities, the portal should offer approximately 40 services to businesses from two institutions.  Outcome 1 Digitalized/ deployed base registers needed to enable the development of e-services (Outcome 2) including Register of Authorisations and Register of Registers, as well as a web solution for digitization of registers  Output 1.1 Status report on the level of digitization of the registers  Output 1.2 Description of all deployed databases including relations and tables description for eSIR  Output 1.3 Description of all deployed databases including relations and tables description for RoA  Output 1.4 Describing the developed and deployed comprehensive software solution for Register of Authorizations (RoA)  Outcome 2 135 new electronic services accessible and available on the national portal for e-services  Output 2.1 List of electronic services  Output 2.2 As-is To-Be Status reports on e-services  Output 2.3 Draft Legal changes for provision of the related electronic services  Outcome 3 Strengthened institutional capacities for sustainable digital transformation  Output 3.1 Methodology for measuring the quality of e-service delivery  Output 3.2 Guideline for business process reengineering  Output 3.2 Report on activities for strengthening capacities (trainings, study visits, etc) – under preparation | | Output 7: Percentage of users vs target users’ ratio of e-services | | Output 8: Pilot statistics on the performance by body and public officers involved in service delivery (coverage by institution and by No of servants) | | Output 9: Coverage of OSS umbrella system (% of relevant institutions covered) | | Output 10: Percentage of indicators produced for GDP on quarterly level by expenditure approach at current and constant prices | Improving the  production and  dissemination of  the statistics  (Services and  Supply) | **Outcome**  65,3% of statistics aligned with EU standards; 65% available indicators for GDP on quarterly level by expenditure approach at current and constant prices; 44% of indicators compiled for EDP notification table in accordance to ESA 2010; 40% implementation of standardised IT tools  **Output 1**  Gap analysis on ESA 2010 requirements – in 2019 and 2022  Procedure Manual for elaboration of Quarterly Sector Accounts for the government sector  Draft MoU on EDP with the National Bank and Ministry of Finance  EDP notification tables prepared and transmitted to Eurostat  Final Report with Recommendations for the Future  **Output 2**  Compliance level of the business statistics area with the EU requirements assessed  Functional specification for software development for SBR developed  Testing for approval of the SBR software development completed  The Enterprise Groups Register (logical and physical) fully integrated into the SBR  New Statistical Business Register fully operational  Prepared data from pilot TSA (Tourism satellite accounts)  Prepared procedures for compiling TSA  Prepared road map for introducing the TSA  TSA fully functional and could be updated on regular bases  **Output 3**  Reports on Preparation, Conducting and Processing of the Census (in addition a Final report has been prepared)  A strategic document on data processing developed  Individual database for the basic census population units designed  Methodological Assistance to SSO  **Output 4**  A report describing the current statistical processes in SSO in details  System Requirements Analyses Document (SRAD) prepared for the Metadata driven statistical system for surveys  The System is partially developed (6 of 13 modules, 3 of 3 databases operational at the end of the project)  A report describing the current statistical SBR in details  Technical specification of the new SBR prepared  Methodological guidelines including clarifications on issues raised during the software development process prepared  SBR Software developed and operational | | Output 11: Percentage of indicators compiled for EDP notification tables in accordance with ESA 2010 | | Output 12: Number of improved/aligned statistical methodologies and surveys | | Output 13: Percentage of SBPM sub-processes covered by standard metadata driven tools | |
| **Significant problems encountered and the measures taken/planned to overcome them** | |  |  |  | | --- | --- | --- | | **Outputs** | **Contract title** | **Problem encountered and measures taken/planned** | | Output 1: Extent to which the overall structure of ministries and other bodies subordinated to central government is rational and coherent. (SIGMA score) | Support to state reorganization” | The Contract produced very important findings and guidelines that should be used to overcome the SIGMA findings related to the rationalisation of the central government (typology, criteria for establishing, reporting lines, overlap of competences, etc). However, the actual rationalisation of the state administrative bodies might take place after the adoption of the new LOSAB. Five versions were produced within the project for State reorganisation.  From the SMC: Complete the activities related to reorganisation of the three piloting ministerial systems by the end of 2023. The effect of activities will be available upon adoption of the law on organisation of state bodies. The law on Organisation of the State Administrative Bodies is planned to be adopted by Q1 2024. (from previous SMC) | | Output 2: No of institutions having and applying an integrity policy | Promoting transparency and accountability in the public administration | Title of the Contract: Promoting transparency and accountability in public administration  The following general problems and challenges were encountered during the implementation of the action:   * Covid-19 outbreak and lock-down in 2020, which affected the overall dynamics and planned work approach. The project team, supported by the Contracting authority and the Project beneficiaries was able to adjust swiftly and compensate delays by relying more intensively of online meetings and digital tools. * Deployment of big number of SNKEs, and parallel implementation of various activities, that affected beneficiaries’ absorption capacities and availability. The project provided beneficiaries’ backstopping support through the project management team, as well as through the key experts, who were responsible for the overall coordination of the experts and quality review of the project deliverables. * Inter-intuitional cooperation, participation and responsiveness. For the activities that required participation of other intuitions, SCPC, as beneficiary, coordinated the process, and no significant delays and issues were encountered. * Inter-intuitional cooperation, participation and responsiveness. For the activities that required participation of other intuitions, APRFAPI, as beneficiary, coordinated the process, and no significant delays and issues were encountered | | Output 3: Percentage of institutions applying pro-active transparency standards | | Output 4: No of whistleblowing cases launched and protection measures taken | | Output 5: Requests for information refused/unanswered in breach of law (as a % of the total number of requests) | | Output 6: Number of services accessible and available by Single point of contact (OSS or e-services portal) | Enhancing e-Government | One of the activities under the project was to implement business analysis on the same and propose optimization/simplification of processes, through which the consortium gathered all necessary information. The institutions actively participate in the testing of the services. The Consortium needs to strengthen its HR capacities with more people with IT technical background and work in parallel with several beneficiaries, otherwise we cannot expect successful completion of the project. MISA and institutions pay particular attention to the quality of the outputs. | | Output 7: Percentage of users vs target users’ ratio of e-services | | Output 8: Pilot statistics on the performance by body and public officers involved in service delivery (coverage by institution and by No of servants) | | Output 9: Coverage of OSS umbrella system (% of relevant institutions covered) | | Output 10: Percentage of indicators produced for GDP on quarterly level by expenditure approach at current and constant prices | Improving the  production and  dissemination of  the statistics  (Services and  Supply) | The main problem that SSO is facing with is the constant outflow of staff and the lack of financial resources. | | Output 11: Percentage of indicators compiled for EDP notification tables in accordance with ESA 2010 | | Output 12: Number of improved/aligned statistical methodologies and surveys | | Output 13: Percentage of SBPM sub-processes covered by standard metadata driven tools |  |  | |
| **Developments and/or identified risks that influence future implementation and the achievement of the objectives** | N/A |
| **Recommendations for corrective further actions** | N/A |

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| **Annual Action Programme for the Republic of North Macedonia for the year 2020** | |
| **Action Document “EU for Municipalities – EU4M”** | |
| **State of play/ Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)** | |  |  |  | | --- | --- | --- | | **Outputs** | **Contract title** | **Status** | | Strengthened administrative and technical capacities of the selected municipalities to successfully develop, implement and supervise innovative projects in specific areas aimed at ameliorating the municipal policy and service delivery  Introduction of smart and innovative municipal governance solutions in selected municipalities | Technical Assistance EU for Municipalities; IPA/2021/424-872  Grants to municipalities | TA is on-going. Contract duration is from 8th August 2021 to 7th August 2024 (36 months)  In August 2021, after a Call for Proposals, eight municipalities were selected by the evaluation committee and awarded a grant. The EU provides 85% co-financing for these projects with total eligible costs budgeted each in between EUR 425k and EUR 909k. The municipalities started to implement their projects in December 2021 or in January 2022.   |  |  |  | | --- | --- | --- | | **Lead Applicant** | **Project Title** | **Sector** | | Municipality of Aerodrom | “Clean AirDrom” – Zero Solid Waste in Municipality of Aerodrom | Waste | | Municipality of Ohrid | Roads Not Taken: Municipality of Ohrid Going Green, Smart, Innovative (Ohrid Go) | Tourism & Innovation | | Municipality of Veles | Smart Solutions Veles – To be continued... | Urban mobility | | Municipality of Tetovo | Innovative digital municipal solutions in Municipality of Tetovo | Digital administration | | City of Skopje | Re-cycle and re-use of construct and demolition waste (Re-Construct) | Waste (construction) | | Municipality of Vrapcishte | Integrated and Inclusive Municipality of Vrapcishte - Leave No One Behind | Social Inclusion | | Municipality of Radovish | Green Heat - introduction of efficient customer-oriented small-grid district heating service based on renewable energy sources | Energy efficiency | | Municipality of Strumica | Strumica - Smart velo city | Urban mobility | | |
| **Main achievements and their assessment** | |  |  |  | | --- | --- | --- | | **Outputs** | **Contract title** | **Main achievements and assessment** | | Strengthened administrative and technical capacities of the selected municipalities to successfully develop, implement and supervise innovative projects in specific areas aimed at ameliorating the municipal policy and service delivery  Introduction of smart and innovative municipal governance solutions in selected municipalities | Technical Assistance EU for Municipalities; IPA/2021/424-872  Grants to municipalities | The TA developed and implemented targeted capacity building, focusing on procurement aspects, legal aspects of contracting and administrative procedures, project management and result-based monitoring as general topics, and sector-specific topics about digitalisation, waste management, urban mobility, energy efficiency, social care.  Main success story is the training, examination, and certification of 18 municipal procurement officers. These 18 persons are now holding a 3-years valid certificate of the Bureau for Public Procurement (under the Ministry of Finance) and as well a certificate for EU PRAG procurement. Efforts are taken to make this certification process sustainable.  Inter-municipal cooperation is encouraged, as this is seen as necessary for any further decentralisation. With the Vardar region and Gevgelija, dedicated activities have started with the aim to set up an organisation for destination marketing, as cooperation of municipalities, planning regions, and involving the private sector.  The access to EU best practices was supported with several measures and a new format. In April 2023, a 5- days EU best practice event was organised with conferences, workshops, and field visits. Carefully pre- selected municipal experts from Germany were invited and came to MK as part of a pro bono activity of their German industry association.  A study tour to Germany was organised in July 2023 on best practice of inter-municipal cooperation, but also included other municipal subjects such as voluntary fire fighters, city marketing, private sector partnerships, and nature reserve parks.  The two Valencia municipalities, as consortium members for implementing the TA, contribute their best practice by sending staff members for conferences and seminars to MK, and offering study visits.  After the official starting date of the grant projects, two out of the eight projects have only made marginal progress with their implementation (Skopje, Tetovo), four others have made some progress (Aerodrom, Ohrid, Radovish, Veles), the remaining two have achieved most of the expected results (Strumica, Vrapchishte).  The velo-city project in Strumica signed an amendment contract in July 2022, and completed most part of the construction works for the bicycle tracks. The day care centre in Vrapchishte opened in May 2023, almost according to plan and so far without the need for an amendment. | |
| **Significant problems encountered and the measures taken/planned to overcome them** | |  |  |  | | --- | --- | --- | | **Outputs** | **Contract title** | **Problem encountered and measures taken/planned** | | 1. Strengthened administrative and technical capacities of the selected municipalities to successfully develop, implement and supervise innovative projects in specific areas aimed at ameliorating the municipal policy and service delivery  2.Introduction of smart and innovative municipal governance solutions in selected municipalities | Technical Assistance EU for Municipalities; IPA/2021/424-872  Grants to municipalities | The problems with project implementation in some of the municipalities are mainly caused by insufficient project management capacity. The municipalities tried to overcome this lack of capacity by hiring external staff or consulting companies for drafting technical specifications or to prepare the procurements. However, these consultants were sometimes either lacking themselves the necessary capacity or did not receive a proper briefing about the municipal needs and the project objectives. This resulted in non-optimal purchase of goods, delays in procurement, and improper implementation of the administrative procedures. | |
| **Developments and/or identified risks that influence future implementation and the achievement of the objectives** | The projects across various municipalities encounter significant challenges, with common issues including feasibility, sustainability, and interoperability risks, as seen in the Aerodrom project which also demands a legal audit of procurement. Ohrid faces difficulties due to escalated costs for construction materials and labor, necessitating a budget revision, while Radovish needs to adjust its workplan and budget due to revised technical specifications and increased costs. Tetovo's project is delayed by pending procurement for needs analysis and software architecture, compounded by legal concerns and a lack of clarity on the concept and feasibility, alongside capacity issues. Veles, despite being slightly behind schedule, is recognized for its progress without major problems, serving as an exemplary model. Vrapcishte struggles with procurement failures and an insufficient budget, prompting an amendment request. The City of Skopje's initiative is hampered by an inactive project team and the withdrawal of a co-applicant, leading to contractual amendments. These issues highlight the complexities involved in project management and the need for adaptive strategies to address unforeseen challenges. |
| **Recommendations for corrective further actions** | The TA allocated substantial resources to the eight grantees, provided training and coaching, and offered a helpdesk which can be reached by email or phone. The helpdesk since February uses an internet-based ticket system. During the last six months 365 cases (tickets) have been serviced, which is 60 per month and on average 3 per working day.  Training seminars on procurement, project monitoring, and legal aspects were offered. The main achievement was to train 18 municipal procurement officers from 15 municipalities, holding already a valid procurement certificate issued by the Bureau of Public Procurement, in EU PRAG procurement, and to certify them after they passed a written and verbal examination.  In the Vardar and South-East region, dedicated activities started to facilitate inter-municipal cooperation and joint efforts with the private sector with the aim to set-up an organisational unit for wine-route destination marketing. |

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| **Annual Action Programme for the former Yugoslav Republic of Macedonia for the year 2018** | |
| **Action Document “EU Support to Public Finance Management”** | |
| **State of play/ Progress for particular action (e.g. ToR in preparation, tender launched, contracted, under implementation, completed)** | |  |  |  | | --- | --- | --- | | **Outputs** | **Contract title** | **Status** | | Result 1 Improved budget system based on implementation of a new organic budget law | IPA/2018/040-860  ,,Strengthening budget planning, execution, internal control functions” for 2023 | On-going. The contract was signed on 01.02.2020.  In the past 15 quarters, 160 activities were carried out through 190 missions. (Component 1- 22 activities 33missions, Component 2- 76 activities 89 missions, Component 3-31 activities 36 missionsand Component 4-31 activities 32 missions).  **Addendum 5** to the Twinning Contract nr.  IPA/2019/ 411-514 “Strengthening budget planning, execution and internal control functions  (MK 18 IPA FI 01 19) has been signed by all parties, on 15.11.2023  (Implementation period is extended for 5 months (till 31.07.2024)) | | Result 2 Improved stability, efficiency and quality of revenue collection system (tax system and policy and customs system) | MK 18 IPA FI 02 19 - Improving Revenue Collection and Tax and Customs Policy | Terminated  The contract was signed on 21.01.2020. EUD in the capacity of Contracting Authority, in charge of implementation of the Twinning contract, in May 2023, has notified the MoF that the contract is terminated on the basis of Article 12.2(b) of the general conditions applicable to the contract, i.e that AEI does not fulfil anymore the eligibility criteria to act as MandatedBody.  During March 2023, the Ministry of Finance submitted an initiative to the DEU in North Macedonia for the approval of a Twinning Light Project entitled "Further harmonization of the tax legislation with the EU Acquis, Improving Revenue Forecasting and Reporting".  Currently, the Ministry of Finance is in process of expecting the official positive feedback regarding the acceptance of this initiative by the European Commission. | | “Supply of hardware and software for the Customs Administration and the State Audit Office” 2019/S 208-506354 | Completed | | “Supply for Improving Customs Control Capacities” | Completed | | **AD Result 3** **Improved legal compliance, efficiency and transparency of the public procurement system** | IPA/2018/040-860- ,,Strengthening budget planning, execution, internal control functions” | On-going | | Developing platform for e-Marketplace and e-Catalogues and SAC processing system | Completed. | | **Output 4** **Strengthened internal control in line with the new PIFC Policy Paper and Public Internal Control (PIC) Law** | IPA/2018/040-860- ,,Strengthening budget planning, execution, internal control functions” for 2022 | On-going.  Addendum 5to the Twinning Contract nr.  IPA/2019/ 411-514-“Strengthening budget planning, execution and internal control functions  (MK 18 IPA FI 01 19 ) ” has been signed by all parties, on 15.11.2023  (Implementation period is extended for 5 months (till 31.07.2024))  Duration period: 54 months (01.02.2020-31.07.2024) | | **Output 5 Improved external audit efficiency** | Twinning Project "Improvement of external audit and Parliamentary oversight" MK 18 IPA FI 03 20 | Completed  In the period from 01.02.2021 to 31.10.2022, SAO implemented the Twinning project "Improvement of external audit and parliamentary oversite" MK 18 IPA FI 03 20, amounted of 1.5 million euros, with cooperation of the SAIs of Croatia and Bulgaria as twinning partners. | |
| **Main achievements and their assessment** | |  |  |  | | --- | --- | --- | | **Outputs** | **Contract title** | **Main achievements and assessment** | | **AD Result 1: Improved budget system based on implementation of a new organic budget law** | IPA/2018/040-860- ,,Strengthening budget planning, execution, internal control functions” for 2023 | **Results under Component 1: Support for implementation of the new OBL provided**   * Adopted a 5-year Fiscal Strategy in accordance with the time frame determined by the provisions from the new Law on Budgets, and in terms of content, it covers more qualitative and quantitative data obtained through sector analysis of expenditures and multi-year indicators for measuring the success in the implementation of budget policies. * Realised study visits in Bulgaria and training for preparation of by-laws aimed ad forcing the New Organic Budget law. | | **Results under Component 2:** S**trengthened Public Internal Financial Control system through efficient implementation of PIFC Policy Paper:**   * Administrative capacities of FMC staff, internal auditors and financial inspectors were improved through the held workshops and discussion with representative of pilot institutions. * The methodology in the field of FMC (draft of the Rulebook on the content of the framework for establishment and development of the internal control system and internal control components), internal audit (IT audit chapter) has been improved. * Drafted: The Rulebook on the manner of performing the activities within the competence of the organizational unit for financial matters and the Rulebook on continuous professional development of the internal auditors. The rulebooks will be applied after the adoption of the new Law on PIFC. * Guidelines for performing quality checking of internal audit activities (with checklist and example of report and example of annual plan for performing quality checking and criteria for selecting institutions) and Guidelines for performing quality review of financial management and control system were drafted. * Based on the analysis of currently valid regulations related to risk management and a Questionnaire, meetings with representatives of FMC pilot institutions were held and a Final Report of development of risk management with recommendations for pilot institutions was prepared and shared with BC. * Two practical workshops were held. Workshop: Financial Affairs Unit – coordination role for development of FMC and risk management in budget organization was organized for FMC staff and risk coordinators in entities at the state and local level. Also, Workshop - Understanding and practical experience in Risk-based Internal Audit Process, for Internal auditors from central and local level was organized. * A Quality assurance and improvement system workshop was held for internal auditors. Quality check of IA units and quality review of FMC in pilot institutions have been started. An activity related to the implementation of part of the FMC components (information and communication and monitoring) was carried out in 5 pilot institutions. * The Financial Inspection Law was adopted in Parliament in January 2023. * Based on the new Financial Inspection Law, activities were started on the drafting of by-laws. Methodology for gathering and processing statistical data with indicators for monitoring, measuring and assessing the effectiveness of financial inspection in public sector has been prepared. * In the area of financial inspection, the existing procedure and regulations regarding obtaining a license for a financial inspector in the public sector were analysed and Report with recommendations for improving the existing regulations and procedures and a concept for receiving a license for financial inspectors was prepared. * The entire database of questions for taking the exam for obtaining a license for financial inspector has been prepared. * 2 Pilot financial inspections have been initialized in 2023 and are ongoing. * Workshop on applying drafted methodological tools for financial inspection in public sector was held. * 2 Day workshop for inspectors covering the topic for Budget Accounting was held. * 2 study visits in the Netherland for 7 participants from Ministry of Finance PIFC Department and Public Finance Academy, and in the Czech Republic for 6 participants from FI Department, were organized | | **Results under Component 3 Improved legal compliance, efficiency and transparency of the public procurement system**   * An overall Strategy for improvement of public procurement system of Republic of North Macedonia 2022-2026 is prepared * Trainings for contracting authorities and economic operators are held * Trainings for further capacity development of PPB and SAC employees are held * Guidelines for duly implementation of the Law for public procurement and good practices, are prepared and published on PPB’ website * Analyses for different processes within the procurement system are prepared and delivered | |  | **Results under Component 4 Improved system for protection of financial interests of the EU through efficient implementation of the National Anti-Fraud Strategy for Protection of the Financial Interests of the European Union**   * National Anti-fraud Strategy 2022-2025 and Action plan for its implementation 2022-2023 drafted and adopted by the Government on 14.06.2022. The Action plan 2023-2024 for implementing the National Anti-fraud Strategy is prepared and it will be submitted to the Government for its adoption; * 4 trainings in the area of the protection of European Unions financial interests in Republic of North Macedonia conducted, in accordance with the prepared training plan; 4 more trainings as an additional activities were approved within the Project Strengthening budget planning, execution, internal control functions” , which will be realized until June 2024.Training programme, including training plan for 2023-2025 prepared. Already one training has been completed from this Training programme and 4 more will be conducted until June 2024 * Memorandums for cooperation with Audit Authority, Financial Police Office and Public Prosecutor’s office for organized crime and corruption drafted and signed on 21.06.2023. * Direct transfer of know-how carried out throughout a study visit to Estonia focused on strengthening the administrative capacities of the key institutions of the system for protection of financial interests of the EU improved. The web-site of AFCOS Unit was prepared as a part of the official web-site of the Ministry of Finance. * Methodology for Drafting the Annual report for the operation of the System for protection of the financial interests of the European Union was drafted. * A survey under the topic Treatment of unfair conduct”, was prepared, in order of overview of the objectives and benefits of opinion polls, analysis of results and examination of the example of AFCOS Latvia.The survery constits 10 question with main objective to determine citizens` views on different situations of unfair actions, fraud, and the readiness and knowledge of citizens to show opposition to unfair actions and fraud by reporting. * Draft Recommendations on Chapter I.3. Irregularities of the Manual of Procedures for Implementation of IPA III under Indirect Management were drafted. | | **AD Result 2. Improved stability, efficiency, and quality of revenue collection system (tax system and policy and customs system)** | “Supply of hardware and software for the Customs Administration and the State Audit Office” 2019/S 208-506354 | **Results under “Supply of hardware and software for the Customs Administration and the State Audit Office”**   * The procurement of ICT equipment and system software for upgrade of ICT infrastructure of the primary location data center and equipment has been installed and configured at a remote location ("Disaster Recovery"- DR) is completed. Migration, upgrade of the databese and replication of other ICT systems at a remote DR location is ongoing and the equipment is operational. The final acceptance of the IPA was in November 2022. Customs Administration has provided a Contract for maintenance of the equipment. | | “Supply for Improving Customs Control Capacities” | **Results under “Supply for Improving Customs Control Capacities”**   * The Mobile container/vehicle inspection system and 6 Vehicles for K9 Unit have been finally accepted and operational (maintenance provided) | | Developing platform for e-Marketplace and e-Catalogues and SAC processing system | **Results under Developing platform for e-Marketplace and e-Catalogues and SAC processing system**   * E-Marketplace platform is implemented and operational as of January 2022. | |  |  |  | | **AD Result 5 Improved external audit efficiency and impact.** | Twinning Project "Improvement of external audit and Parliamentary oversight" MK 18 IPA FI 03 20 | **Component 1**  **Output 1.1 Assessment report of the legal framework of external audit with proposals on achieving SAO's constitutional independence and enhancing financial and operational independence prepared**   * Assessment report prepared, Questionnaire prepared, filled and analysed, * Half-day workshop with SAO Work group (approx. 15 participants) conducted | | **Output 1.2 Based on the recommendations provided, development of legal changes**   * Report with developed legal changes developed * SAO developed a new Draft State Audit Law and proposal for Constitutional amendments | | **Output 1.3 Assessment report of laws with regards to auditing of financing of political parties and election campaigns, public procurement and the new organic budget law (OBL) linked to the legal framework for external audit, with proposals for their harmonization and improvement, prepared**   * Assessment Reports prepared * Half-day workshops with SAO Work group (approx. 15 participants) conducted | | **Output 1.4. Secondary legislation linked to the enhanced legal framework for state audit elaborated**   * Cancelled | | **Output 1.5 New SAO development strategy for the next five years period in line with SAO priorities and resources with action plan elaborated covering a performance appraisal and monitoring system of its implementation**   * New SAO development strategy for the period 2023 – 2027 with action plan prepared and adopted | | **Output 1.6 New structure and scope of SAO Annual Programme in line with the new SAO strategic documents developed**   * Proposal for the Annual Programme developed and implemented * Presented and discussed with selected BC SAO representatives | | **Output 1.7 New Code of Ethics for SAO employees developed and system for monitoring of its implementation introduced**   * New Code of Ethics for SAO employees developed and adopted * Rules for work of the Committee on Professional Ethics developed and adopted | | **Component 2**  **Output 2.1 Analysis report developed with proposals on improvement of the organizational structure and human resources capacity of SAO**   * Report with proposals on improvement prepared * Relevant internal SAO acts drafted * Case study exercise - pilot assessment performed | | **Output 2.2 Analysis report elaborated with recommendations on improvement of the interaction of the SAO with the relevant stakeholders**   * Analysis report with recommendations prepared * Survey with a questionnaire conducted * E-brochure developed and distributed * Webinar held (46 participants) | | **Output 2.3 Methodology acts developed for improved performance audit, follow-up of audit recommendations, audit of EU funds and fraud and irregularities detection, based on the recommendations of the previous IPA 2013 twinning project**   * New Performance Audit Manual drafted and 20 annexes as templates and examples developed * Report with recommendations for improvement of the follow-up of audit recommendations prepared * Two new methodology guidelines for audit of EU funds and for fraud and irregularities detection developed * One-day seminar on three topics (EU funds audit, irregularities and fraud, follow-up of recommendations) held for 49 participants * One-day seminar on Performance audit framework held for 48 participants | | **Output 2.4 New structure and content of audit reports introduced in line with ISSAI’s, creating easy to read audit reports that will contain improved presentation of audit results and recommendations**   * 2 templates for the structure and content of an audit report prepared * Half-day workshops conducted | | **Output 2.5 Guidelines on improved audit quality control and quality assurance processes developed based on the recommendations of the previous IPA 2013 twinning project**   * 2 Guidelines as internal SAO documents developed and adopted | | **Output 2.6 Improved audit processes elaborated based on newly developed or improved methodology acts**   * Completed under Output 2.3 | | **Output 2.7 Improved audit capacities of auditors through approx. 15 pilot audits of EU funds, performance audits (out which one in the area of climate changes), regularity (financial and compliance) audits, compliance audit (out which one in area of environment), audit on financing of political parties and election campaigns, central budget audit, IT audit. Dissemination of lessons learned from the performed pilot audits through conferences/round-table discussions/presentations**   * 15 Pilot audits conducted * Audit reports developed by responsible SAO audit teams with the involvement of STEs * Conference held on 17 October 2022 around 120 participants * 4 conducted Pilot audits presented and discussed | | **Output 2.8 Enhanced practical knowledge of auditors in the areas of, but not limited to: legal framework, strategic development and audit planning, implementation of the Code of Ethics; interaction of the SAI with relevant stakeholders; audit processes; SAO-Parliament cooperation best practices in EU; communication system development (through approx. 15 internships, 6 study trips, 15 seminars, 10 round-table discussions, 6 conferences etc.).**   * 5 Internships in the EU MS for SAO auditors were organised - in 11 thematic groups, 15 audit teams participating in the Pilot audits - 47 SAO participants involved; * 7 Study visits organised: 3 in Croatia, 3 in Bulgaria and 1 in Estonia. In total 103 SAO participants involved; * More than 11 activities focused directly to educational activities; * 2 panel discussions in Component 3; * Conference held on 17 October 2022 for around 120 participants | | **Component 3**  **Output 3.1 Memorandum of Understanding developed between Parliament and SAO for review of audit reports**   * Report with recommendations developed * New Memorandum of Cooperation (MoC) drafted * MoC officially signed between the AG and the President of Assembly on the Closing Conference | | **Output 3.2 Assessment report elaborated with proposals on legal framework of SAO and Parliament for submission and reviewing of the audit reports**  Assessment report developed | | **Output 3.3 Action Plan prepared on how to improve cooperation between the Parliament and SAO for reviewing audit reports, in line with the SAO and Parliament's strategic documents**   * Action plan of activities developed | | **Output 3.4 Analysis report prepared with recommendations prepared on structural, organizational and procedural changes to be introduced in Parliament for reviewing of audit reports**   * Analysis report with recommendations developed * Workshop held in the Assembly with presentation and discussion on recommendations for changes | | **Output 3.5 Written procedures of SAO elaborated on developing and submitting audit reports and other documents to the Parliament**   * Proposal of procedures in the SAO developed * Bilateral meeting and a panel-discussion organised connected with benchmarks for Outputs 3.5. and 3.6. | | **Output 3.6 Written procedures of the Parliament prepared on the mechanism for reviewing audit reports**   * Proposal of the procedure in the Parliament developed * Panel discussions held within Output 3.4. and Output 3.12. | | **Output 3.7 Amendments** **to the existing Manual "Introduction to Audit Reports" prepared**   * New Manual developed * The visual and graphical proposal developed for printing the Manual | | **Output 3.8 Proposal for changes of the internal** **rules of functioning of the Parliament prepared**   * Report with recommendations for changes of the internal rules in the Parliament developed | | **Output 3.9 Training Plan for parliamentarians and parliament administrative staff to understand audit reports and prepare for the debate on audit reports prepared**  Cancelled | | **Output 3.10 Based on the Training Plan, trainings (through workshops, case studies, debate simulations) for parliamentarians and parliament administrative staff conducted for understanding of audit reports and preparing for the debate on audit reports**  Cancelled | | **Output 3.11 Analysis report of the audit process of the Annual Account of the Budget of the Republic of North Macedonia prepared with recommendations for improvement**  Analysis report prepared | | **Component 4**  **Output 4.1 Amendments to the structure and content of SAO's Annual Report prepared to improve presentation of SAO performance and results of audit reports**   * Report with the proposals for amendments prepared * Presentation of the annual report elements held | | **Output 4.2 Abstracts from the audit reports prepared containing information of relevance to parliament members and staff**   * 2 proposals for Templates of Summary Report developed | | **Output 4.3 Abstracts from the audit reports prepared containing information of relevance to media and public**   * Templates developed with proposals for improvement of abstracts * Case study on the models of actual SAO’s reports made | | **Output 4.4 Enhanced skills of auditors for preparing abstracts from the audit reports of relevance to parliament members and staff and to media and public through trainings (approx.3 seminars /workshops)**   * Trainings with two workshops were held (with overall more than 50 participants) | | **Output 4.5 Rules for internal flow of paper and electronic documentation developed**   * Procedures as internal SAO document developed and adopted | | **Output 4.6 Report prepared with recommendations for revising and updating policies and procedures for publishing information on SAO web site, communication with the media and all relevant stakeholders**   * Report with recommendations developed | | **Output 4.7 Updated policies and procedures for publishing on SAO web site, communication with the media and relevant stakeholders developed**   * 2 rulebooks/procedures were developed and adopted * 1 policy SAO document adopted | | **Output 4.8 Review of the SAO website and recommendations for improvement prepared**   * Review with recommendations for improvement developed | | **Output 4.9 Report with recommendations on how to facilitate access to SAO reports by all relevant stakeholders using appropriate communication tools prepared**   * Report with recommendations developed * Survey conducted and answers analysed * Presentations and practical work delivered | | **Output 4.10 Report on outcomes of ITSA and ITASA recommendations from the previous IPA 2013 twinning project prepared**   * Report on outcomes of ITSA and ITASA recommendations prepared * Online Survey conducted for 13 SAO participants | | **Output 4.11 IT Audit Manual updated in accordance with GUID - 5100 - Guidance on Audit of Information Systems**  IT Audit Manual upgraded | | **Output 4.12 Advanced skills on CAAT’s application in audits/IDEA software through trainings (approx. 2 workshops/seminars)**  Seminar and workshop delivered for up to 30 participants – three-day training by certified trainers | | **Output 4.13 Assessment report with recommendations for introduction, implementation, monitoring and maintenance of the SAO information security management system, according to ISO27001:2013**   * Assessment report with recommendations prepared * Developed checklists discussed with practical issues | |
| **Significant problems encountered and the measures taken/planned to overcome them** | |  |  |  | | --- | --- | --- | | **Outputs** | **Contract title** | **Problem encountered and measures taken/planned** | | Output 1……Result 2 under IPA/2018/040-860 | IPA/2018/040-860- Improved stability, efficiency and quality of revenue collection system (tax system and policy and customs system) | The IPA 2018 Twinning contract for the Project „Improving Revenue Collection and Tax and Customs Policy“ that due to contractual issues related to the MS Twinning partner the project has been cancelled in May 2023 i.e. the project activities have not been completed. | |
| **Developments and/or identified risks that influence future implementation and the achievement of the objectives** | Delaying/long term procedure in the adoption of the new PIFC Law |
| **Recommendations for corrective further actions** | N/A |